
Georgia's Experience with Budget Cuts: The Value of Planning

The state of Georgia enjoyed dramatic growth during the 1990s, propelled in part by tourism and preparations for the 1996 Olympic Games. The state's population blossomed by 26%, an increase of over 1.7 million people. Georgia's correctional system also experienced unprecedented growth during the 1990s as a result of get-tough sentencing laws and changes in parole policy that restricted releases for many serious offenders.

Despite the booming economy and increasing tax revenues, the Georgia Parole Board received little in the way of funding increases during the entire decade. The vast majority of new tax revenues were devoted to improving teacher salaries and other educational improvements. The governor was committed to raising the standing of Georgia's educational system, whose students had remained near the bottom in standardized test scores.

In 1991, using existing but unfilled positions, the parole board established an in-house drug counseling program. However, a move to privatize state services required the board to disband the program in 1995. Forty-three positions were thus abolished, but the agency was able to retain almost \$1 million in personnel funds to contract for counseling services. This money would later play a role in budget cuts.

A History of Working Under Lean Budgets

The State Board of Pardons and Paroles is a relatively small agency under the executive branch. The board has sole responsibility for making all clemency decisions, including commutations of death sentences. The agency also supervises inmates released by the board to the community. Approximately 500 of the agency's 810 employees work in 60 field offices supervising 21,000 offenders. The agency's original budget for FY 2002 was \$54 million.

The parole board's budget had changed little over the last decade except to fund salary increases approved for all state employees. Despite lean budgets, several factors helped the board thrive.

- ◆ Senior managers were very knowledgeable about the details of the agency's budget as a result of the justification requirement under the state's "zero-based budget" process.

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- ◆ The agency's budget director was highly skilled at winning legislative approvals to make end-of-the-year transfers of funds, which provided the seed money for establishing many of the agency's important programs.
- ◆ The board's strategic planning process identified projects, subsequently funded with year-end money, that continue to have a far-reaching impact on agency efficiency.

These factors enabled the board to weather the 2.5% reduction in the FY 2002 budget and an original 5% cut in the budget for FY 2003. This reduction was followed by cuts totalling an additional 3%.

Budget Priorities Established Through Strategic Plans

The parole board prepared its first strategic plan in 1993 and has updated the plan annually. Strategic goals focusing on electronic communication and case management have given the agency methods to help manage budget cuts.

The goal to improve communication led to the development of the agency's wide area network (WAN), a computer system that electronically connects each of the board's work sites. With the network in place, e-mail was implemented, improving communication and drastically reducing postage costs. In addition, the thousands of reports created each month by field investigators, which had previously been printed and mailed in bulk, could be sent electronically. The WAN provided the backbone for a computerized case management system, which was developed for parole officers in 1998 to document supervision activities and more effectively track and analyze outcomes. Using this system, known as FLOID (Field Log of Interaction Data), a parole officer has the entire caseload on a laptop computer, which facilitates working "untethered" from the parole office.

Parole officers can use the laptop to dial in on any phone line and connect to a central computer that sends new information to the officer's computer and receives information collected by the officer. This system provides managers with continuous access to the parole officer's electronic case files, allows quick two-way comments via e-mail, and eliminates the cumbersome practice of paper documentation in bulky three-ring binders.

The development of electronic communication and case management systems laid the groundwork for other efficiency improvements and generated ideas among staff that are being adopted as the agency copes with budget cuts. The board's strategic plans have also included goals to improve efficiency in parole decision-making and to broaden the range of options for managing offenders in the community.

Cutting an Already Tight Budget . . . Ask Staff

Declining revenues in the fall of 2001 forced Governor Roy E. Barnes to ask every state agency for a 2.5% budget reduction. For the parole board this amount was almost \$1 million. The board's chairman quickly made it clear to all

employees that reductions would not include layoffs, although 82% of the agency budget was in personnel services costs. He also insisted that cuts sacrificing the quality of supervision would be a last resort. There was very little that could be eliminated.

The Board of Pardons and Paroles has broad flexibility to manage its budget, and state law does not permit agencies to enter into contracts with terms longer than 1 year. Since Georgia is not a collective bargaining state, the board is also not required to negotiate with unions on salary or layoffs.

Staff at all levels throughout the agency were encouraged to offer ideas on the most effective ways to reduce the budget. With the budget year well under way, many expenditures had already been made or were contractually committed. The final recommendations to the board included freezing 41 vacant staff positions. The agency continued to employ a strategic approach of careful monitoring to determine which positions to fill so that field caseloads remained balanced and manageable, and clemency processes continued to flow smoothly.

The agency renegotiated rental agreements at many field offices, reduced office supply budgets, deferred the purchase of some equipment and motor vehicles, and froze uncommitted funds under the contract budget line. Half of the budget savings for FY 2002, a total of \$500,000 over 6 months, came in the form of a \$10 increase (doubling the fee to \$20) in the monthly parole supervision fee, which is set by the board. This increase was recommended after a comparison study revealed that Georgia's fee was one of the lowest in the nation.

Role of Strategic Planning

The projects that had been identified and completed through years of strategic planning played a significant role in enabling the agency to make budget cuts. Although caseloads will increase, the negative effect of staff losses will be largely mitigated by improved operational efficiency. The case management system has vastly improved supervision practices.

Statistical reports allow staff to quickly identify parolees who are unemployed, not attending programs, or testing positive for drugs. Parole officers spend their time on high-risk cases. Supervision reports, warrants, investigative reports, and routine memos numbering in the hundreds each day are a small part of the agency's business that is now created and delivered electronically. These reports previously had been printed, copied, placed in envelopes, and mailed each day from every agency work site.

Parolee supervision summary reports that previously required hours to produce by hand are now generated automatically, using data created by parole officers in the case management system. A query tool known as "Thelmalou" allows parole officers and managers to run, within seconds, hundreds of reports that provide data detailing supervision activities.

The technology infrastructure in place has allowed for the conversion of other processes with only marginal increases in maintenance costs. Employees must submit a request for reimbursement if they use personal vehicles for work or incur other business travel expenses. Hundreds of these travel reimbursement requests are submitted by parole officers each month. An electronic travel reimbursement application has now been implemented that requires no additional time to complete but saves an enormous amount of time in the agency's fiscal unit, where travel expenses are processed. The submission process includes a scan for math errors and omissions before the form is sent electronically to the manager for approval. Expense payments are then sent electronically and automatically deposited in the employee's bank account.

Employees' pay checks are also deposited electronically, and pay stubs were recently converted to an electronic process, saving time in sorting and hand delivery. Management of the agency's fleet of 160 vehicles has been streamlined through conversion to a computer application.

FY 2003 . . . Additional Cuts

The board originally had to absorb a 5% budget reduction of \$2.6 million for FY 2003. Declining revenues have increased that total by 3%. Under these reductions, staff have played an integral role in determining where savings will be achieved. Almost 40% of the savings will be met not through cutting, but through a continuation of the \$10 increase in the parole supervision fee, raising a total of \$1 million in new state revenue, which will go directly into the state's general fund.

Enhancing supervision, a goal in the first strategic plan, led to the implementation of electronic monitoring (EM). Along with agency-funded EM, the agency experimented with offender-funded EM. For FY 2003, the board contracted to move the entire EM sanction to an offender-paid system, eliminating the \$700,000 expense of state-funded EM. The financial burden offender-funded EM places on parolees, many of whom are employed in low-wage jobs, has recently prompted the board to rethink this strategy.

Other reductions will be made in supplies and in purchases of new vehicles and equipment. These cuts will result in additional down time for repairs, which will have an impact on productivity. However, since the agency pays a per-mile fee for maintenance, the vehicle operational budget will not increase.

Other savings include reductions in real estate rental realized in contracts renegotiated for FY 2002 that will carry over to FY 2003. Many contracts for cleaning of field offices will be ended and replaced with work by parolees, who will clean the offices as community service. This cost savings measure is already being questioned as agency field staff report spending inordinate amounts of time monitoring parolee workers. Three parole offices have been consolidated. Computers that allow field staff to work independently of the parole office may allow for

additional consolidation if more budget reductions are required. The staff positions left vacant in FY 2002 will remain in place for FY 2003.

Much of the agency's services for offender drug counseling is obtained through contracts with local providers. Inasmuch as this budget item is also being reduced, it will result in an immediate and negative impact on the ability of parole officers to effectively address this criminogenic factor. The board is therefore seeking grant funding to fill this gap. Fortunately, the agency's strategic process and research on evidence-based supervision practices led to the training of many parole officers as facilitators for a highly effective thinking skills program. The program is delivered by parole officers as part of their supervision practice to targeted groups of 10 to 12 parolees.

Contract money for research and analysis has also been reduced substantially, drastically slowing work on several projects. Fortunately, agency staff can temporarily assume some of the project work. The agency's training budget will receive cuts in trainee travel expenses. This reduction is being reached by eliminating one large annual agency training function. The board's field division, however, is accredited by the American Correctional Association, which requires 40 hours of staff training each year. In order to comply with this requirement, trainers will travel to field offices to deliver training. The agency is also investigating how the communications infrastructure can be used to deliver computer-based training to parole officers.

Reaching a Limit

Cutting budgets is never easy, but the process has brought agency staff closer together to preserve the integrity of the vital work of changing offender behavior through the application of evidence-based strategies and practices. Working with a bare-bones level of resources creates additional stress in a profession that is already stress-filled. The board is deeply concerned that morale and effectiveness will begin to suffer if additional reductions are mandated.

Reductions in other agency budgets also affect the Board of Pardons and Paroles. Georgia's drug treatment system is cutting its budget, which was already inadequate under normal circumstances. Research documenting "what works" is clear. If community corrections is not able to deliver the supervision and programming necessary to change offenders' behavior, high-risk offenders will assuredly cycle back into the system, increasing correctional costs far more than the temporary savings from today's budgets cuts. ■

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